

JUDY CHU, Ph.D.
32ND DISTRICT, CALIFORNIA

COMMITTEE ON
THE JUDICIARY

COMMITTEE ON
EDUCATION AND LABOR

COMMITTEE ON
OVERSIGHT AND GOVERNMENT REFORM



Congress of the United States
House of Representatives

WASHINGTON OFFICE:

2421 Rayburn House Office Building
Washington, DC 20515
(202) 225-5464
(202) 225-5467 (Fax)

DISTRICT OFFICE:

4401 Santa Anita Avenue, Suite 201
El Monte, CA 91731
(626) 448-1271
(626) 448-8062 (Fax)

**EAST LOS ANGELES
DISTRICT OFFICE:**

4716 E. Cesar E. Chavez Avenue
East Los Angeles, CA 90022
(323) 307-9904
(323) 307-9906 (Fax)

June 11, 2010

The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street SW, Room 8-C445
Washington, DC 20554

Dear Chairman Genachowski:

I am hopeful that the solid growth in GDP and increase in consumer spending are just the tipping point of a vibrant economic recovery. I know your work implementing the American Recovery and Reinvestment Act has been integral to the positive signs we are seeing today and I want to thank you for all you have done to improve our economy in these difficult economic times.

As the new Chair of the Economic Development Task Force in Congressional Asian Pacific American Caucus (CAPAC), I am interested in your implementation of federal contracts and procurement. All federal agencies should be held accountable for their contracting dollars and the first step in accountability is to examine the data. Therefore, I write to request a report on the Federal Communications Commission contracting and procurement activities with respect to minority-owned firms.

I have prepared a questionnaire that will help guide your response and ensure CAPAC receives the necessary details that are important to understanding your contracting process. In particular, I am interested in how existing federal contracting and procurement opportunities will fuel Asian American and Pacific Islander (AAPI) economic development during the economic recovery and beyond. Furthermore, I am interested in the outreach, application, review, and granting processes behind federal government contracts, particularly how they pertain to Asian American Pacific Islander-owned businesses. Some questions include:

- What were the internal goals for granting contracts to SB, SDB, HUBZone, and AAPI firms in FY 2008-FY2010?
- What was your plan or strategy to reach the participations goals of SB, SDB, HUBZone, and AAPI firms?
- How does your agency encourage SB, SDB, HUBZone and AAPIs to build capacity so they can bid on larger contracts? For example, do you utilize mentor-protégé or joint venture programs?

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Supporting minority business is crucial to economic recovery and long-term growth. Minority-owned firms currently provide nearly 5 million people with steady jobs, but have the potential to create 16.1 million jobs, leading to stronger communities and bolstering America's economy. The U.S. Census Bureau projects that by 2050, the minority community will represent 54% of the total U.S. population indicating that over the next 40 years the growth of America's workforce will primarily come from minorities. Minority-owned firms have the potential to contribute significantly to our long-term economic progress and stability, and the best way to ensure their success is to support them by making government contracts accessible and available to them.

I understand this information might take time to compile, but I would appreciate a response to this inquiry as soon as possible. Thank you for your attention to this matter. If you have questions please contact Lelaine Bigelow of my staff at lelaine.bigelow@mail.house.gov or at 202-225-5464.

Sincerely,

A handwritten signature in black ink that reads "Judy Chu". The signature is fluid and cursive, with the first name "Judy" and last name "Chu" clearly distinguishable.

Judy Chu, Ph.D.

Chair

CAPAC Economic Development Task Force

CAPAC Economic Development Task Force 2010 Questionnaire

For the purposes of this questionnaire, the acronyms are defined as follows:

Small Business (SB)
Small Disadvantaged Business (SDB)
Historically Underutilized Business Zones (HUBZone)
Asian American Pacific Islander (AAPI)

I. Department/Agency Goals

- a. What were the internal goals for granting contracts to SB, SDB, HUBZone, and [REDACTED] FY2010?
- b. What was your plan or strategy to reach the participations goals of SB, SDB, HUBZone, and AAPI firms?

II. Outreach and Recruitment

- a. In FY 2009, what strategies did the Department use to outreach and recruit SB, SDB, HUBZone, and AAPI?
- b. How did outreach strategies help the Department meet their goals of contracting with SB, SDB, HUBZone, and AAPI firms?
- c. What is the measure of success?
- d. What is your plan to further increase SB, SDB, HUBZone, and AAPI participation in contracting and procurement in your Department?

III. Prime Contracts and Subcontracts in FY 2009

- a. What was the total amount of prime contracts awarded?
- b. What was the amount of prime contracts awarded to SB, SDB, HUBZone and AAPI firms?
- c. What was the total amount of subcontracts awarded?
- d. What was the amount of subcontracts awarded to SB, SDB, HUBZone and AAPI firms?
- e. How many of the total SB, SDB, HUBZone and AAPIs contracts were partnerships between large businesses and small businesses?
- f. How does your agency encourage SB, SDB, HUBZone and AAPIs to build capacity so they can bid on larger contracts? For example, do they utilize mentor-protégé or joint venture programs?

IV. Department Statistics for Applicants and Awardees of Contracts

We are requesting data regarding the Department's contracts with small businesses, particularly detailed information about minority-owned business contracts. We have

providing data for the following categories: (a) Large + Small, (b) Minority, (c) SDB, (d) HUBZone. Please feel free to use a different format.

Type of Applicant:	How many firms applied?	How many firms accepted?	How many minority firms applied?	How many minority firms accepted?
All (Large + Small)				
SDB				
HUBZone				

Type of Applicant:	How many AAPI firms applied?	How many AAPI firms accepted?	How many Black firms applied?	How many Black firms accepted?	How many Hispanic firms applied?	How many Hispanic firms accepted?	How many Native Amer. firms applied?	How many Native Amer. firms accepted?
All (Large+Small)								
SDB								
HUBZone								

III. Prime Contracts and Subcontracts in FY 2009

- What was the total amount of prime contracts awarded?
- What was the amount of prime contracts awarded to SDB, HUBZone and AAPI firms?
- What was the total amount of subcontracts awarded?
- What was the amount of subcontracts awarded to SDB, HUBZone and AAPI firms?
- How many of the total SDB, HUBZone and AAPI contracts were partnerships between large businesses and small businesses?
- How does your agency encourage SDB, HUBZone and AAPI to build capacity so they can bid on larger contracts? For example, do they utilize mentor-protégé or joint venture programs?

IV. Department Statistics for Applicants and Awardees of Contracts

We are requesting data regarding the Department's contracts with small businesses. Particularly detailed information about minority-owned business contracts. We have



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 14, 2010

The Honorable Judy Chu, Ph.D.
Chairwoman
CAPAC Economic Development Task Force
U.S. House of Representatives
2421 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairwoman Chu:

Thank you for your letter regarding contracting and procurement activities with respect to minority-owned firms. I appreciate your interest in this area and have asked the Managing Director to answer the questions you raise in your letter. His response is attached.

If you have any remaining concerns, or if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to be "J. Genachowski", is written over the printed name. The signature is stylized with a large, sweeping initial "J" and a long horizontal stroke.

Julius Genachowski



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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

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2421 Rayburn House Office Building
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Sincerely,

A handwritten signature in dark ink, appearing to read "Julius Genachowski", with a stylized flourish at the end.

Julius Genachowski



Federal Communications Commission
Washington, D.C. 20554

July 14, 2010

The Honorable Judy Chu, Ph.D.
Chair, CAPAC Economic Development Task Force
U.S. House of Representatives
2421 Rayburn House Office Building
Washington, D.C. 20515

Attention: Lelaine Bigelow

Dear Chairwoman Chu:

Chairman Genachowski has asked my staff to compile the information to respond to the "CAPAC Economic Development Task Force 2010 Questionnaire" that you sent to the Federal Communications Commission (FCC or Commission). We appreciate the opportunity to discuss the FCC's small business and minority owned business contracting practices with you and the Congressional Asian Pacific American Caucus.

At the outset, please let me assure you that the FCC is very interested in ensuring that it considers small and minority owned businesses when it performs market research to identify potential contractors as well as when it awards contracts.

While we do not specifically track all of the information described in your questionnaire, we can provide you with some information about our small business and minority owned business contracting efforts for Fiscal Year 2009. Below are some statistics concerning our contracting activities during Fiscal Year 2009.

- According to the Federal Procurement Data System (FPDS), during FY 2009, the FCC had over 1340 contracting actions for total contracting dollars of \$137.7 million.
 - Of these contracting actions, over 860 actions or \$56.8 million dollars went to small businesses. Furthermore, approximately:
 - \$10.3 million dollars went to Small Disadvantaged Businesses;
 - \$12.6 million went to Woman Owned Small Businesses;
 - \$8.7 million went to HUBZone Businesses;
 - \$26.6 million went to Veteran Owned Small Businesses;
 - \$13.7 million went to Service Disabled Veteran Owned Small Businesses; and
 - \$8.4 million went to 8(a) Firms.
 - Finally, the FCC issued over 220 contracting actions to Minority Owned firms totaling approximately \$17.7 million.

The FCC has taken steps during FY 2010 to continue its small business contracting efforts, and in some of our GSA Schedule competitive procurements we have included a preference for small business as part of the evaluation criteria. In addition, during FY 2010, we have placed an emphasis on issuing requests for information through www.fedbizopps.gov for our non-GSA Schedule purchases as a source of additional market research to identify opportunities for socio-economic set asides.

Also, you referenced our work pursuant to the American Recovery and Reinvestment Act (Recovery Act) in your letter. We wanted to mention that during the procurement process for our Recovery Act funded outreach and assistance contracts for the Digital Television (DTV) transition, the FCC used a process of cascading set-asides to make the awards. This process was designed to favor small businesses. Awards were made on a competitive basis first to responsible certified HUBZone small business concerns. Additional awards were then made on a competitive basis to responsible eligible small business concerns. If these contract awards did not meet the Commission's needs across all geographic areas for DTV outreach, additional awards were then made on a full and open competition basis. The emphasis was first and foremost on small businesses for these outreach and assistance contracts.

Lastly, I would like to point out that the FCC is one of the only if not the only agency that has made permanent office space available for its employees' Chapter of the Federal Asian Pacific American Council.

Please feel free to contact me at (202) 418 – 1919 or Dan Daly, my Chief of Staff, at (202) 418 – 1832 if you have any questions about this response.

Sincerely,

A handwritten signature in dark ink, appearing to read "S. VanRoekel", with a stylized, flowing script.

Steven VanRoekel
Managing Director